The Effect of Performance Measurement System, Motivation and Organizational Commitment on the Managerial Performance of Disnakertrans Banten Province

Euis Mufahamah[1*]
Fakultas Ekonomi, Universitas Malahayati, Bandar Lampung, Indonesia[1]
euis@malahayati.ac.id[1*]

Abstract

Purpose : to find out how much the performance measurement system, work motivation and organizational commitment can improve managerial performance.

Research Design/Method : this type of research is classified as qualitative research. The population in this study were employees at the Department of Disnakertrans Banten Province. The sample was determined based on the non-probability sampling technique, with a total sample of 80 samples with distribution of online. Analysis technique with Partial Least Square (PLS) using SmartPLS software.

Result : SmartPLS data analysis was found in the performance measurement system, work motivation and organizational commitment that can improve managerial performance in the Disnakertrans Banten Province.

Limitations : this study only focused on the variables of the performance measurement system, work motivation, organizational commitment and managerial performance. And only at one particular location.

Contribution : the results of this study are expected to provide information and references for further researchers, and can encourage managerial performance in the Disnakertrans Banten Province so that public services continue to be a top priority with the best facilities.

Keywords : Performance Measurement System, Work Motivation, Organizational Commitment, Managerial Performance

1. Introduction

Previous research has examined the role of performance measurement systems in encouraging company performance. Because all companies want maximum performance to achieve their goals. Management is constantly looking for ways to improve this. One of the ways that the company's management does is by increasing employee productivity. Employees are the main asset of the organization and have a strategic role in the organization, namely as thinkers, planners, and controllers of organizational activities (Yanti & Minarsih, 2015). Performance measurement system can assist companies in assessing the performance of employees who are one of the company's resources.

Many companies implement performance measurement based on the company's ability to compete in the business world. The company does not only calculate performance based on financial but also on non-financial indicators, such as human resources, facilities, business processes, customer relations, and so on (Kaplan & Norton, 1996) suggests that non-financial and financial factors do not mean just talking about measurement but how the processes and human resources involved in it. Likewise (Ulrich & Brockbank, 2005) which states that the contribution of HR strategy has a major impact on the performance of the company as a whole.

Several previous studies suggest that Organizational Citizenship Behavior and personnel performance measurement have a positive influence on overall performance (Adiwijaya, 2013). Research (Mahardhika, 2013) which produces work motivation has a positive and significant effect on employee performance. The author assumes that improving the performance measurement system will immediately improve the performance of human resources in this case are employees. Every activity in the company, HR has a very important role because it is a "player" to manage other resources in the company (Greening & Turban, 1996). Employees as resources owned by the company can be one of the competitive advantages if managed properly, therefore it is necessary to create quality human resources and have good performance in the company.

Organizational commitment itself is a positive attitude dimension of employees that can be associated with performance. Organizational commitment is defined as the level of feeling and trust attachment to the organization where they work (George et al., 2005). Research conducted by (Sumowo, 2016) found that organizational commitment affects managerial performance in organizations.

The success of an organization in managing its Human Resources will determine the success of achieving organizational goals. The success of an organization is strongly influenced by the performance of its employees. Every organization will always try to improve the performance of its employees in the hope that the goals of the organization will be achieved. The implementation of the leader's managerial activities does not necessarily have a positive impact on the organization. Referring to previous research with inconsistent results, this study includes the variables of the performance measurement system, work motivation and organizational commitment to managerial performance.

And the reason for doing this research is to contribute to research in the field of Management Accounting and Behavioral Accounting, especially research on the effect of performance measurement on work outcomes and its effect on individual behavior which in this case is work motivation and commitment to government agencies in in the field of Disnakertrans Banten Province. Because many previous studies conducted research on service companies other than agencies. So, the author wants to do research on:

The Effect of Performance Measurement System, Work Motivation, Organizational Commitment on Managerial Performance at the Disnakertrans of Banten Province

2. Literature review and hypothesis development

X and Y Theory

Theory X and Theory Y are theories of human motivation created and developed by Douglas McGregor at MIT's Sloan School of Management in 1960 which have been used in human resource

management, organizational behavior, organizational communication and organizational development.

(McGregor, 1960) discovered theories X and Y after examining the way managers relate to employees. Some assumptions that managers have in theory X, namely employees basically do not like work and as much as possible try to avoid it, because employees do not like work, they must be used, controlled, or threatened with punishment to achieve goals. Employees will avoid responsibility and seek formal orders. Contrary to the negative view of human nature in theory X, namely employees perceive work as fun, like rest or play, employees will practice self-control and emotions to achieve various goals, employees are willing to learn to accept, seek, and take responsibility. employees are able to create innovative satisfactions that are circulated throughout the population, and not just to those in management positions.

There are four assumptions that managers have in theory X, namely:

• Employees by nature do not like work and try to avoid it as much as possible.

• Because employees dislike work, they must be used, controlled, or threatened with punishment to achieve goals.

• Employees will avoid responsibility and seek formal orders, which is the third assumption.

Some employees place security above all other work-related factors and display little ambition. Contrary to the negative view of human nature in theory X, there are four positive assumptions mentioned in theory Y, namely:

• Employees perceive work as fun, like rest or play.

• Employees will practice self-control and emotions to achieve various goals.

• Employees are willing to learn to accept, seek, and take responsibility.

Employees are able to create innovative satisfactions that are circulated throughout the population, and not just to those in management positions.

Performance Measurement Systems

According to (Neely et al., 1995) the performance measurement system as a process to measure the actions taken and specifically defines the performance measurement system as a process to measure the efficiency and effectiveness of an action. Performance measurement systems can provide evidence that a high understanding of the goals of a job can provide information relevant to the job, and motivation to improve the performance of a job. Therefore, the performance measurement system is considered to have important benefits for the company.

Work motivation

Motivation comes from the word Motivation, which means the encouragement of inner power, while to motivate means to encourage to behave or try. Motivation in management focuses more on how to direct the power and potential of subordinates, so that they are willing to work together productively to achieve and realize the goals that have been determined.

Motivation is a process that explains the intensity, direction and persistence of an individual to achieve goals (Robbins, 2006). According to (Hasibuan & Hasibuan, 2016) motivation is an employee's encouragement or mental attitude of employees that leads or encourages behavior towards achieving needs that provide satisfaction. Based on the above definition, it can be concluded that work motivation is a condition in a person's personality that encourages the individual's desire to do certain jobs in order to achieve goals.

Organizational Commitment

Organizational commitment is a positive attitude dimension of employees that can be associated with performance. Organizational commitment is defined as the level of feeling and trust attachment to the organization where they work (George et al., 2005).

Organizational commitment is an impulse created from within the individual to do something to increase the success of the organization in accordance with the objectives by prioritizing the interests of the organization compared to individual interests. The impetus that arises is what can improve the performance of employees so that it affects the success of an organization.

Employees who are committed to their organization can easily accept and adhere to organizational goals (Valentine et al., 2002).

Managerial Performance

(Tjiptono, n.d.,) (2001) states that managerial performance is the ability of managers to use knowledge, behavior, and talents in carrying out their duties, so that the manager's task objectives are achieved.

Manager performance appraisal (Wentzel, 2002) can be measured by self-rating instrument developed by Mahoney and his colleagues in the 1960s. The results of managerial performance are not enough to just look at managerial performance based on past data and information, but it is necessary how to implement the managerial process in carrying out management activities, because the commitment of top management in carrying out management functions will interact with ethical decision-making behavior or behavior. unethical that must be implemented by all company personnel. Thus, in this study the manager's performance appraisal is seen based on managerial activities in management functions which are measured based on: planning, investigation or investigation, coordinating, evaluating, supervising, staffing, negotiation, and representation.

Hypothesis Development

Effect of Performance Measurement System on Managerial Performance

(Swari & Wirasedana, 2017) states that the performance measurement system has a partial effect on managerial performance. Based on this explanation, the first hypothesis that can be made is:

H1: Measurement of the performance measurement system has a significant effect on managerial performance

The Effect of Work Motivation on Managerial Performance

Research (Tajudin et al., 2021) states that motivation has a significant effect on managerial performance. So the company must also be aware of the importance of work motivation to maintain any factors that can affect the performance of managers. Motivation will greatly affect the good or bad performance of a company in the face of intense competition in the business world which is increasingly developing. Based on this explanation, the second hypothesis that can be made is:

H2: Work motivation has a significant effect on managerial performance

The Effect of Organizational Commitment on Managerial Performance

Managerial performance can be influenced by several factors, one of which is organizational commitment. Organizational commitment indicates the existence of a person's power in identifying his involvement in a part of the organization (Mowday et al., 1982).

And research (Mayarani et al., 2021) found the influence of organizational commitment on managerial performance. Based on this explanation, the third hypothesis that can be made is:

H3: Organizational commitment has a significant effect on managerial performance

3. Research methodology

This type of research is a qualitative research. Where data is obtained from the distribution of questionnaires carried out on July 23, 2021 to August 23, 2021 online. The population in this study were employees at the Department of Manpower and Transmigration (Disnakertrans) Banten Province. And the sample in this study are all employees who work in the Manpower and Transmigration Office of Banten Province.

The technique or pattern of sampling in this research is to use the Convenience Sampling method. The sample size in this study was 80 in the adequacy scale of Comfrey and Lee (1992) including the Fairly category. AMKP-01 14. To obtain a sample of 80, it is assumed that the response rate of respondents

in this study is 30%. With the response rate, the questionnaire that will be sent is 100 copies and uses the Mail Survey and Contact Person methods in data collection.

Based on 100 questionnaires distributed, the authors obtained responses and data that could be processed were 80 respondents. Table 1 demographic information of respondents:

Table 1: Demographic Information of Respondents

		N	%
Gender	Men	60	75
	Woman	20	25
	Total	**80**	**100**
Age	≤ 30	18	22
	31 – 40	32	40
	40 – 50	7	9
	≥ 51	23	29
	Total	**80**	**100**
Education	Senior High School	12	15
	Diploma	43	54
	Bachelor	25	31
	Master / Doctoral	-	-
	Total	**80**	**100**
Division	Finance / Accounting	2	3
	General	78	97
	Human Resources	-	-
	Marketing / Operational	-	-
	Other	-	-
	Total	**80**	**100**
Working Experiences	≤ 5 years	29	36
	6 – 10 years	25	31
	≥ 11 years	26	33
	Total	**80**	**100**

4. Results and discussions

Data analysis

Testing of linear models or structural models was carried out to see the relationship between constructs, significance values and R-square (R^2) of the research model. The structural model was evaluated using R^2 for the dependent construct of the t-test and the significance of the coefficients of the structural path parameters. Analysis using SmartPLS (Partial Least Square) obtained the results of the loading factor in table 2 as follows:

Table 2 : Factor Loadings, Composite Reliability, Cronbach's Alpha and AVE

Constructs	Items	Factor Loadings	Cronbach's Alpha	rho_A	Composite Reliability	AVE
Performance Measurement System	**PMS 1**	**0,858**	**0,946**	**0,955**	**0,954**	**0,701**
	PMS 2	**0,944**				
	PMS 3	**0,925**				
	PMS 4	**0,866**				
	PMS 5	**0,783**				
	PMS 6	**0,736**				
	PMS 7	**0,754**				
	PMS 8	**0,800**				
	PMS 9	**0,844**				

Work Motivation	**WM 1**	**0,701**	**0,883**	**0,889**	**0,909**	**0,591**
	WM 2	**0,799**				
	WM 3	**0,821**				
	WM 4	**0,864**				
	WM 5	**0,807**				
	WM 6	**0,633**				
	WM 7	**0,794**				
Organizational Commitment	**OC 1**	**0,882**	**0,910**	**0,921**	**0,927**	**0,587**
	OC 2	**0,757**				
	OC 3	**0,749**				
	OC 4	**0,859**				
	OC 5	**0,799**				
	OC 6	**0,775**				
	OC 7	**0,708**				
	OC 8	**0,587**				
	OC 9	**0,795**				
Managerial Performance	**MP 1**	**0,756**	**0,915**	**0,917**	**0,930**	**0,597**
	MP 2	**0,775**				
	MP 3	**0,728**				
	MP 4	**0,758**				
	MP 5	**0,824**				
	MP 6	**0,828**				
	MP 7	**0,822**				
	MP 8	**0,719**				
	MP 9	**0,735**				

a. Validity Test

i. Convergent Validity Test

Validity measurement is carried out to test the indicator's ability to measure latent variables. Convergent validity based on the results of processing PLS algorithms for exogenous and endogenous constructs can be observed on the loading factor. In this study, the loading factor value above 0.6 is considered good and suitable for use in research. Thus, it can be said that all constructs have a good relationship so that further analysis can be carried out.

Furthermore, to test the validity of a construct, the AVE value is tested, if the AVE value is > 0.5 then the model has a good convergent validity score. As in table 1, it can be seen that all variables have a score above 0.5, with the lowest score being 0.587 on Role Clarity. Based on the results of the data analysis, it can be said that the data used represents a good convergent validity test.

ii. Discriminant Validity Test

Discriminant validity is intended to prove that the latent construct predicts the size of their block better than the size of the other blocks (Hulland, 1999). Discriminant validity test can be done based on cross loading measurements with constructs. If the correction value of constructs with measurement items is greater than the correlation values with other constructs, then this indicates that latent constructs predict their block size better than other block sizes (Hulland, 1999). In table 1, it is known that the cross loading shows that the correlation of the construct with its indicators is greater than the correlation value with other constructs.

Another method of assessing discriminant validity can be done with the Fornel-Lacker criteria, if the AVE root value on the whole construct has a higher value when compared to the correlation value between the two constructs in the model, it can be concluded that the construct in the model has good discriminant validity. As shown in table 3.

Table 3 Latent Variable Correlation

	Organizational Commitment	Managerial Performance	Work Motivation	Performance Measurement System
Performance Measurement System	**0,708**	**0,779**	**0,746**	**0,837**
Work Motivation	**0,677**	**0,871**	**0,769**	
Organizational Commitment	**0,766**			
Managerial Performance	**0,741**	**0,773**		

b. Reliability Test

A data is said to be reliable if Cronbach's alpha and composite reliability are more than 0.7 (Hulland, 1999). From table 1, it can be seen that each construct or latent variable has a Cronbach's alpha value and composite reliability of more than 0.7 which indicates that the internal consistency of the variables has good reliability.

2. *Structure Model*

Measurement of the structural model using the coefficient of determination or R^2 for the dependent construct, predictive relevance with *stone-geisser-Q-square or* Q^2 and the path coefficient. The higher the R^2 value, the better the model predicts. Chin (1998) divides the value of R^2 by 0.67; 0.33 and 0.19 into the categories of good, moderate and weak models. Q^2 is intended to measure how well the observed values are generated by the model and also the estimated parameters. The value of $Q^2 > 0$ indicates that the model has predictive relevance. Table 4 shows the values of R^2 and Q^2 of the measurement results.

Table 4 : *Path Coefficient, T-Statistics,* R^2

Dependent Variable	Independent Variable			R^2
	Performance Measurement System	Motivasi Kerja	Organizational Commitment	
Work Motivation	**0,746** **14,341*****			**0,556**
Organizational Commitment	**0,708** **8,951*****			**0,501**
Managerial Performance	**0,198** **2,266**	**0,584** **7,229*****	**0,206** **2,768*****	**0,816**

******* Significant to $p < 0{,}01\%$, ****** Significant to $p < 0{,}05\%$, ***** Significant to $p < 0{,}1\%$

3. Hypothesis Testing

Performance Measurement System and Managerial Performance

The first hypothesis states that there is a positive relationship between the Performance Measurement System on Managerial Performance. Based on the test results that there is a positive and very significant relationship between the Performance Measurement System and Managerial Performance. It can be seen from the t-statistic of 2.266 > 1.96, p > 0.01 and = 0.198. Based on the results of these calculations, it can be concluded that hypothesis 1 is partially accepted.

Work Motivation and Managerial Performance

Hypothesis 2 reads that there is a positive relationship between work motivation and managerial performance. The results of this study indicate that there is a positive and significant relationship between work motivation and managerial performance. This can be seen from the t-statistic of 7.229 > 1.96, p > 0.01 and = 0.584. Based on the results of these calculations, it can be concluded that hypothesis 2 is partially accepted.

Organizational Commitment and Managerial Performance

Hypothesis 3 reads that there is a positive relationship between Organizational Commitment to Managerial Performance. The results of this study indicate that there is a positive and significant relationship between Organizational Commitment to Managerial Performance. It can be seen from the t-statistic of 2.768 > 1.96, p > 0.01 and = 0.206. Based on the results of these calculations, it can be concluded that hypothesis 3 is partially accepted.

Path Analysis

Based on the description of hypothesis testing, it can be seen that the Performance Measurement System has a direct relationship with Managerial Performance. This shows that the Performance Measurement System can encourage the realization of Motivation and Organizational Commitment will be able to create good Managerial Performance.

5. Conclusion

As previously explained, the use of a non-financial-based performance measurement system is more of a complement to the use of a financial-based performance measurement system. Previous research on the performance measurement system still needs to be studied a lot. The results of this study are as follows:

1. The Performance Measurement System has an effect on Managerial Performance at the Banten Province Manpower and Transmigration Office.
2. Work Motivation has an effect on Managerial Performance at the Banten Province Manpower and Transmigration Office.
3. Organizational Commitment has an effect on Managerial Performance at the Banten Province Manpower and Transmigration Office.

Limitation and study forward

There is no research without weaknesses. Of course, this research also has limitations. The first limitation relates to the object of research, this research takes a sample in the government department. As mentioned above, the government is very vulnerable to a convoluted bureaucracy. Therefore, to generalize this research to other industries such as banking or finance industry should be done with caution. The second limitation relates to the individuals surveyed, namely employees. In an organization, manager-level employees get more privileges than employees. So the implementation of the results of this study may not necessarily be applied to manager-level employees. Although it has limitations, this study has practical implications that in managerial performance appraisal, which can be seen in the performance measurement system, motivation and commitment that can be taken into consideration to produce more external and long-term oriented indicators. There is no research without weaknesses. Of course, this research also has limitations. The first limitation relates to the object of research, this research takes a sample in the government department. As mentioned above, the government is very vulnerable to a convoluted bureaucracy. Therefore, to generalize this research to other industries such as banking or finance industry should be done with caution. The second limitation relates to the individuals surveyed, namely employees. In an organization, manager-level employees get more privileges than employees. So the implementation of the results of this study may not necessarily be applied to manager-level employees. Although it has limitations, this study has practical implications that in managerial performance appraisal, which can be seen in the performance measurement system, motivation and commitment that can be taken into consideration to produce more external and long-term oriented indicators.

Acknowledgment

In this section, first thank you to Allah SWT. Thanks to His almighty power, the writer was able to complete this research well. Thanks also to umi and the whole family for their prayers and encouragement. And to the lecturers and colleagues who cannot be mentioned one by one, the authors thank you for all the guidance and direction until this research is completed.

References

George, J. M., Jones, G. R., & Sharbrough, W. C. (2005). *Understanding and managing organizational behavior*. Pearson Prentice Hall Upper Saddle River, NJ.

Greening, D. W., & Turban, D. B. (1996). Corporate Social Performance and Organizational Attractiveness to Prospective Employees. *Proceedings of the International Association for Business and Society*, *7*, 489–500.

Kaplan, R. S., & Norton, D. P. (1996). *Using the balanced scorecard as a strategic management system*. Harvard business review Boston.

Mahardhika, R. (2013). Pengaruh Motivasi Kerja Terhadap Kinerja Karyawan (Survei Karyawan Pada PT. Axa Financial Indonesia Sales Office Malang). *Jurnal Administrasi Bisnis*, *4*(2).

McGregor, D. (1960). Theory X and theory Y. *Organization Theory*, *358*(374), 5.

Sumowo, S. (2016). Pengaruh Komitmen Organisasi dan Kepuasan Kerja terhadap Kinerja Pegawai dengan Budaya Organisasi sebagai Moderating Variable. *Jurnal Penelitian IPTEKS*, *1*(1).

Ulrich, D., & Brockbank, W. (2005). *The HR value proposition*. Harvard Business Press.

Yanti, A. T. H., & Minarsih, M. M. (2015). Pengaruh Kompensasi, Motivasi Kerja, Lingkungan kerja dan disiplin terhadap Kinerja Karyawan pada CV Koperasi Puri Kencana Taxi Semarang. *Journal of Management*, *1*(1).